

CONCERN OVER FRAUD CAUSES ONTARIO TO INVEST \$90 MILLION IN NEW HEALTH CARDS

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In Brief • En bref

In an attempt to stop fraudulent use of Ontario's health care system, the province will soon begin issuing health-insurance cards containing the holder's photo. It is not known exactly how much fraud costs the system, but the cost may exceed \$100 million annually. Dr. John Carlisle, deputy registrar of the College of Physicians and Surgeons of Ontario, warns that the government must be prudent in designing a system for reporting suspected health-card fraud.

Afin de lutter contre l'utilisation frauduleuse de son système de santé, l'Ontario commencera bientôt à émettre des cartes d'assurance-maladie portant la photo du titulaire. Personne ne sait combien l'utilisation frauduleuse coûte au système, mais certaines estimations dépassent les 100 millions de dollars. Le Dr John Carlisle, sous-registraire du Collège des médecins et chirurgiens de l'Ontario, souligne que le gouvernement doit être très prudent dans la conception d'un système de rapports sur les abus de la carte-santé.

In an attempt to stem fraud within its health-insurance plan, the Ontario government is going to spend \$90 million to give every resident a new health card. In making this attempt to reduce the number of fraudulent claims for health care, it wants doctors to provide the frontline defence.

In their submissions to the politicians at Queen's Park doctors have agreed to cooperate, but only after offering some stern warnings that the integrity of the health care system should not be jeopardized by overzealous reporting requirements.

There is no doubt that fraud exists. Here are some anecdotal reports that have circulated:

- A patient who was asked to provide evidence that his health card was legitimate proffered proof by whip-

ping out an American driver's licence.

- One patient who needed a hysterectomy produced a health card that had already been used to bill for a hysterectomy.

- Another patient produced a card, but the computer files said it was no good because the patient was dead. Red-faced but uninjured, the patient had to be "revived" — it turned out that the person who actually died had been admitted to hospital on the other person's card.

- One patient who required a tonsillectomy produced a card through which a tonsillectomy had already been billed. The astonished surgeon commented: "When I take out tonsils, they don't grow back."

These are among the many stories relayed by physicians to the Ontario Medical Association (OMA), but many other cases have not been re-

ported to the government as "fraud" because doctors feel they are caught in a catch-22 situation. To report that someone has presented a health card inappropriately is to report that someone approached a doctor for a health care service, and that in itself might be construed as a breach of doctor-patient confidentiality. Thus, there have been publicized cases of doctors knowingly treating patients who were misusing health cards. (The Ontario government has introduced changes that it says will eliminate this problem.)

The government readily admits that it has no idea how much health-card fraud costs the province. When the issue first received attention 2 years ago, government officials acknowledged that 400 000 health cards existed that could not be accounted for.

Some estimates put the price of fraud at more than \$100 million. In one recent investigation, the Ministry of Health uncovered 763 cases of suspected fraud on the Akwesasne Indian reserve near Cornwall, Ont. It concluded that up to 588 Americans living on the reserve, which straddles the Ontario, Quebec and New York state borders, may be receiving their health care free of charge in Ontario.

When the Ministry of Health announced the new program in December, it said implementation will cost \$30 million a year for 3 years, but the switch is expected to reduce the fraudulent use of health cards by about \$65 million a year.

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When the existing red-and-white plastic cards were first issued in 1988, the cost was \$39 million — less than half the cost of the new ones. Card production itself is a lucrative business. With 10 million cards to be produced, more than 80 companies have lined up to get a piece of the action.

The new cards will carry the holder's photo and will have to be renewed every 5 years; the existing card has no expiry date. Renewal will mean a visit to a government agency, where new photos will be taken and new cards issued. Proof of residency, in the form of documents such as a tax bill, assessment notice or hydro bill, will be required. To discourage fraud, the new cards will have a holographic overlay to prevent counterfeiting; it will also have a magnetic strip and bar code to allow for verification.

In this high-tech world, it hasn't taken politicians long to start talking of using the cards to keep track of other provincial benefits, such as social-assistance payments. But that's not the way the medical profession sees the issue. The proposal for the use of health cards with photos was contained in the August 1993 agreement between the province and the OMA. Peter Berwick, the association's director of office management services, said that as far as the OMA is concerned, the card's use cannot extend beyond health care.

For now, the new cards will contain only the cardholder's name, address and photo, with the name and address encoded in a magnetic strip on the back. The final design was set last fall, says Larry Stump, leader of the Ministry of Health's card project in Kingston. The ministry says the first cards will be issued this winter and the system will be operating by the spring.

However, the OMA disputes that.

"The initiative to introduce new photo-ID health cards is a requirement under government's 1993 agreement with the OMA, and was supposed to be implemented by Dec. 31, 1993," Dr. Michael Wyman, the president, stated in a late-December news release. "The health minister is more than a year-and-a-half late in getting this program off the ground. In the meantime, millions of tax dollars have been wasted unnecessarily through fraud because of the delay."

Wyman maintains that only a limited number of cards will be issued by health ministry offices starting this spring. He says full implementation will not be possible until Ministry of Transportation facilities are available for producing cards, and this will not happen "until at least September 1995."

While the government hopes the tighter restrictions will minimize fraudulent claims, the plan still relies on doctors and other health care providers to police the system. To put it more accurately, they are to act as informants for the health ministry.

Dr. John Carlisle, deputy registrar of the College of Physicians and Surgeons of Ontario, assured the Standing Committee on Public Accounts in 1993 that the college and OMA were willing to cooperate to reduce fraud, but he cautioned that politicians must be extremely careful about how the reporting system is designed.

The word "fraud" is in itself a loaded legal term, he warned, and few nonlawyers understand it. "We regularly receive telephone calls from physicians who believe that fraud has been committed because the patient has visited more often than the physician thinks is necessary, even though

the visits may have been entirely appropriate from the patient's perspective," he said.

Carlisle's message was that "fraud" is too harsh a term. He suggested that the wording require doctors to report patients for using cards that had not been issued to them, or to make a report when they have reasonable grounds to believe that a patient is not entitled to coverage.

Carlisle said governments must use care in designing a reporting system for health-card abuse because immigrants and refugees who have fled totalitarian regimes will be suspicious of any reporting system.

No matter how well designed the new card-control system may be, there are uncertainties about its effectiveness. Dr. Ron Smuckler, a Toronto physician who monitors the use of health care information, says the new plan "will solve the problem of passing the card around" but it won't completely eliminate fraud. As well, he predicts the 5-year renewal requirement will be a nuisance.

Not only will people be inconvenienced by having to visit a government office to renew the card, but also doctors will be inconvenienced whenever someone tries to use an expired card. While there may be no intent to defraud the system, a failure to renew the card could lead to complications in paying for health care.

Discussion of the nitty-gritty points of the card plan continues, and all of this is taking place only 6 years after the former Liberal government introduced the current cards. Critics blessed with hindsight, including some members of the current New Democratic Party government, say a more secure system should have been designed in the first place. ■